

Health Maintenance Organization
Quarterly Minimum Statutory Net Worth Calculation in accordance with I.C. 27-13-12-3

(Company Name)

(NAIC Company Code)

(Type of organization; e.g., staff, group, IPA, network or direct contract model.)

Minimum Net Worth Calculation - Part 1

Note: The quarterly calculation differs from the annual calculation in that amounts must be annualized.

A health maintenance organization shall maintain a minimum net worth equal to the greater of:

(1) One million dollars (\$1,000,000)\$1,000,000 (1)

(2) Two percent of of the first \$150,000,000 premium revenues as reported on the most recent financial statement.....\$ X .02 = \$ (2A)

(page 4, column 2, Net Premium Income =< \$150,000,000)

and 1% of premium revenues in excess of \$150,000,000.....\$ X .01 = \$ (2B)

(page 4, column 2, Net Premium Income > \$150,000,000)

\$ (2)

(Sum of 2A and 2B)

(3) The sum of three (3) months of uncovered health care expenditures, as reported on the most recent financial statement.....(3)\$

(4) An amount equal to the sum of:

Health care expenditures reported on the most recent quarterly financial statement.....\$

(page 4, column 2, Total Medical & Hospital)

Less: Expenditures paid on a capitated basis\$

(Company calculation)

Less: Expenditures paid on a managed hospital payment basis.....\$

(Company calculation)

8% of health care expenditures except those paid on a capitated basis or managed hospital payment basis as reported on the most recent financial statement.....\$ X .08 = \$ (4A)

4% of hospital expenditures paid on a managed hospital payment basis as reported on the most recent financial statement.....\$ X .04 = \$ (4B)

(Company calculation)

\$ (4)

(Sum of 4A and 4B)

Net Worth as of ____/____/____

\$

Less: Minimum Net Worth required per I.C. 27-13-12-3 (the greater of annualized 1, 2, 3, or 4)

\$

Excess / (Deficiency)

\$

** Annualized = to annualize multiply amount by 4 for the March 31st filing, by 2 if the June 30th filing and by 4/3 for the September 30th filing.

Updated 5/15/03